

Mental Health Services

Analyst: Castro

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY PROGRAM					
Childrens Mental Health	19,779,300	20,543,200	15,325,200	15,646,500	15,867,000
Community Mental Health	22,272,200	23,294,900	25,377,600	25,685,200	25,394,100
Total:	42,051,500	43,838,100	40,702,800	41,331,700	41,261,100
BY FUND CATEGORY					
General	27,989,100	29,416,200	27,771,300	28,995,300	28,820,100
Dedicated	2,875,200	2,010,300	1,312,600	1,804,300	1,846,200
Federal	11,187,200	12,411,600	11,618,900	10,532,100	10,594,800
Total:	42,051,500	43,838,100	40,702,800	41,331,700	41,261,100
Percent Change:		4.2%	(7.2%)	1.5%	1.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	20,044,200	20,565,900	21,175,500	22,361,100	23,170,500
Operating Expenditures	6,045,200	5,067,100	5,617,000	6,092,100	6,092,100
Capital Outlay	206,100	256,800	393,600	1,232,900	352,900
Trustee/Benefit	15,756,000	17,948,300	13,516,700	11,645,600	11,645,600
Total:	42,051,500	43,838,100	40,702,800	41,331,700	41,261,100
Full-Time Positions (FTP)	344.30	349.72	349.12	334.99	334.99

Division Description

CHILDRENS MENTAL HEALTH: The Children's Mental Health Program is managed under the Division of Behavioral Health. It provides assessment and evaluation, clinical case management, hospitalization, residential treatment, and therapeutic foster care for children with serious emotional disturbances.

COMMUNITY MENTAL HEALTH SERVICES: In Idaho services are community-based, consumer guided and organized system of care for adult citizens experience serious mental illness, using state of the art approaches to care and treatment. Services are delivered primarily through seven regional, state-operated community mental health centers.

Childrens Mental Health

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	89.68	8,445,900	15,325,200	89.68	8,445,900	15,325,200
1. Jeff D Attorney Fees & Settlement	0.00	320,300	320,300	0.00	320,300	320,300
3. Expenditure Shift Request	0.00	0	0	0.00	0	0
9. Department Personnel Costs Transfer	0.00	161,700	161,700	0.00	161,700	161,700
FY 2008 Total Appropriation	89.68	8,927,900	15,807,200	89.68	8,927,900	15,807,200
Non-Cognizable Funds and Transfers	1.87	50,400	120,100	1.87	50,400	120,100
FY 2008 Estimated Expenditures	91.55	8,978,300	15,927,300	91.55	8,978,300	15,927,300
Removal of One-Time Expenditures	0.00	(328,700)	(330,200)	0.00	(328,700)	(330,200)
Base Adjustments	0.00	0	(879,000)	0.00	0	(879,000)
FY 2009 Base	91.55	8,649,600	14,718,100	91.55	8,649,600	14,718,100
Benefit Costs	0.00	189,700	218,600	0.00	186,600	211,100
Inflationary Adjustments	0.00	2,600	4,600	0.00	2,600	4,600
Replacement Items	0.00	19,700	28,600	0.00	23,200	34,600
Statewide Cost Allocation	0.00	1,700	4,800	0.00	1,700	4,800
Change in Employee Compensation	0.00	48,200	55,500	0.00	241,000	277,500
Nondiscretionary Adjustments	0.00	3,500	0	0.00	3,500	0
FY 2009 Program Maintenance	91.55	8,915,000	15,030,200	91.55	9,108,200	15,250,700
3. Res. Care Rate Inc. & Caseload Growth	0.00	535,200	616,300	0.00	535,200	616,300
6. Behavioral Health Data Analyst	0.00	0	0	0.00	0	0
FY 2009 Total	91.55	9,450,200	15,646,500	91.55	9,643,400	15,867,000
Change from Original Appropriation	1.87	1,004,300	321,300	1.87	1,197,500	541,800
% Change from Original Appropriation		11.9%	2.1%		14.2%	3.5%

Childrens Mental Health

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	89.68	8,445,900	164,500	6,714,800	15,325,200

1. Jeff D Attorney Fees & Settlement

This request is for one-time funding to cover the awarded attorneys fees in the Jeff D. lawsuit case.

[One-time]

Agency Request	0.00	320,300	0	0	320,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>320,300</i>	<i>0</i>	<i>0</i>	<i>320,300</i>

3. Expenditure Shift Request

This request is to shift \$50,000 in trustee and benefit payments funding to operating expenditures to cover the costs associated with dual diagnosis training. The FY 2008 appropriations bill allowed for the training to be spent out of increased Childrens Mental Health funding; however, all of the increased funding was in trustee and benefit payments so in order to comply with legislative intent and accounting standards the department is requesting an expenditure appropriations shift.

[One-time]

Agency Request	0.00	0	0	0	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

9. Department Personnel Costs Transfer

This request is to shift General Fund personnel funding from the following programs:

Physical Health: \$379,200

Labs: \$128,600

Self Reliance Operations: \$420,300

Child Welfare: \$982,700

TOTAL: \$1,910,800

The funding would be received by the following programs in personnel costs:

Childrens Mental Health: \$161,700

Community Mental Health: \$220,700

Community Developmental Disabilities: \$37,300

Indirect Support Services: \$1,145,500

Medicaid Administration & Medical Mgmt: \$276,400

State Hospital North: \$69,200

As of the end of the 1st quarter the department has projected the Child Welfare's transfer out will be reduced to \$907,400 and that Community Mental Health will only need \$145,400.

[Ongoing]

Agency Request	0.00	161,700	0	0	161,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>161,700</i>	<i>0</i>	<i>0</i>	<i>161,700</i>

FY 2008 Total Appropriation					
Agency Request	89.68	8,927,900	164,500	6,714,800	15,807,200
<i>Governor's Recommendation</i>	<i>89.68</i>	<i>8,927,900</i>	<i>164,500</i>	<i>6,714,800</i>	<i>15,807,200</i>

Non-Cognizable Funds and Transfers

Transfers in \$77,900 in personnel funding and 1.0 FTP. Transfers in 0.87 FTP and \$42,200 in personnel funding.

Agency Request	1.87	50,400	0	69,700	120,100
<i>Governor's Recommendation</i>	<i>1.87</i>	<i>50,400</i>	<i>0</i>	<i>69,700</i>	<i>120,100</i>

FY 2008 Estimated Expenditures					
Agency Request	91.55	8,978,300	164,500	6,784,500	15,927,300
<i>Governor's Recommendation</i>	<i>91.55</i>	<i>8,978,300</i>	<i>164,500</i>	<i>6,784,500</i>	<i>15,927,300</i>

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request	0.00	(328,700)	0	(1,500)	(330,200)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(328,700)</i>	<i>0</i>	<i>(1,500)</i>	<i>(330,200)</i>

Childrens Mental Health

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Base Adjustments

Reduces the base budget for federal funds by \$500,000 due to over appropriation in federal funds. Reduces federal fund appropriation by \$379,000 due to completion of the Childrens Mental Health Initiative Grant.

Agency Request	0.00	0	0	(879,000)	(879,000)
Governor's Recommendation	0.00	0	0	(879,000)	(879,000)

FY 2009 Base

Agency Request	91.55	8,649,600	164,500	5,904,000	14,718,100
Governor's Recommendation	91.55	8,649,600	164,500	5,904,000	14,718,100

Benefit Costs

Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves. This request also reflects a fund shift of \$97,500 from federal funds to the General Fund.

Agency Request	0.00	189,700	0	28,900	218,600
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The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.

Governor's Recommendation	0.00	186,600	0	24,500	211,100
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Inflationary Adjustments

This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. The only item requested for inflation in the Childrens Mental Health budget is for rent increases and the request represents a 1.32% increase in rental and operating leases.

Agency Request	0.00	2,600	0	2,000	4,600
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Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.

Governor's Recommendation	0.00	2,600	0	2,000	4,600
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Replacement Items

Replaces one van at a cost of \$17,400. Replaces five desks for \$8,500 and nine chairs for \$2,700.

Agency Request	0.00	19,700	0	8,900	28,600
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The Governor recommends replacing one vehicle. The Governor recommends \$6,000 in additional funding for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles. These additional funds may only be used to implement the Governor's Fossil Fuel/Greenhouse Gases Initiative. Any unspent funds appropriated for this purpose will be reverted at year-end, regardless of funding source. The recommendation also includes replacing 5 modular desks and 9 office chairs.

Governor's Recommendation	0.00	23,200	0	11,400	34,600
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Statewide Cost Allocation

Reflects the increases for risk management fees.

Agency Request	0.00	1,700	0	3,100	4,800
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Governor's Recommendation	0.00	1,700	0	3,100	4,800
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Change in Employee Compensation

Agencies were instructed to input a CEC based on a 1% calculator. This request also reflects a fund shift of \$23,700 from federal funds to the General Fund.

Agency Request	0.00	48,200	0	7,300	55,500
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The Governor recommends a compensation increase of 5% to be distributed based on merit.

Governor's Recommendation	0.00	241,000	0	36,500	277,500
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Childrens Mental Health

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

Includes an increase in General Funds of \$3,500 and a corresponding decrease in federal funds due to a Federal Medical Assistance Program match rate decrease of 69.993% to 69.398%.

Agency Request	0.00	3,500	0	(3,500)	0
Governor's Recommendation	0.00	3,500	0	(3,500)	0

FY 2009 Program Maintenance

Agency Request	91.55	8,915,000	164,500	5,950,700	15,030,200
Governor's Recommendation	91.55	9,108,200	164,500	5,978,000	15,250,700

3. Res. Care Rate Inc. & Caseload Growth

The agency is requesting \$1,380,000 in additional funding to cover the costs associated with paying an increase for residential care in the Childrens Mental Health budget. In FY 2008 the Legislature split the Child Welfare trustee and benefit payment budget between Childrens Mental Health and Child Welfare. JFAC also worked with the agency to make a designated indicator for whether a child's residential care would be covered under Child Welfare or Children's Mental Health-- the determination is if the child is under state custody then the Child Welfare budget will cover the residential costs, if the child is adopted or the parents are seeking just mental health services then the Childrens Mental Health budget would cover residential costs.

This past year the department conducted an independent study of the residential treatment centers in Idaho. The study showed that 15 out of 20 of the providers were underpaid based on the value of services being provided while the other 5 were being reimbursed more than the value of the services being provided. The report also recommended an annual funding increase of \$1,164,559 for those 15 provider increases. The department has stated that the additional funding will be used for just the 15 contractors that were underpaid, and for the contractors shown as being overpaid the department is recommending no reduction in the current rate.

The Child Welfare budget reflects a request of \$763,700 and the Childrens Mental Health budget request is for \$613,300; the Children's Mental Health request is broken down by a combination of the residential rate increase amount of \$400,800 and a caseload increase of \$215,500. The caseload increase of \$215,500 is based on a projected increase of 3.8% in family foster care and 6.6% in residential care resulting in a blended rate projection of 5.1%.

[Ongoing]

Agency Request	0.00	535,200	0	81,100	616,300
Governor's Recommendation	0.00	535,200	0	81,100	616,300

6. Behavioral Health Data Analyst

The Childrens Mental Health program is requesting to shift \$60,000 from operating expenditures to personnel costs to be used for the salary of a new Research Analyst Principal position. The program is proposing reclassifying a Program Manager position that was added with the Childrens Mental Health Initiative (CMHI) grant.

The original CMHI grant was obtained at a 75% federal fund 25% General Fund match; and over time the federal funding match was stepped down per the grant requirements over the six year life. This step down approach was intended to increase the General Fund monies involved in the Childrens Mental Health program. The General Funds expected to be available at the end of six years with \$1,532,961; however, the Legislature did not appropriate the total match requirements due to the Childrens Mental Health program not spending all of the grant funds available. The actual base amount of General Fund monies spent as match for this grant was \$841,600 in FY 2007; the department has allocated \$716,500 for FY 2009.

[Ongoing]

Agency Request	0.00	0	0	0	0
The Governor recommends this line item.					
Governor's Recommendation	0.00	0	0	0	0

FY 2009 Total

Agency Request	91.55	9,450,200	164,500	6,031,800	15,646,500
Governor's Recommendation	91.55	9,643,400	164,500	6,059,100	15,867,000

Childrens Mental Health

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<i>Agency Request</i>					
Change from Original App	1.87	1,004,300	0	(683,000)	321,300
% Change from Original App	2.1%	11.9%	0.0%	(10.2%)	2.1%
<i>Governor's Recommendation</i>					
Change from Original App	1.87	1,197,500	0	(655,700)	541,800
% Change from Original App	2.1%	14.2%	0.0%	(9.8%)	3.5%

Community Mental Health Services

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	259.44	19,325,400	25,377,600	259.44	19,325,400	25,377,600
2. Transfer to SHS/Medicare Audit	0.00	0	0	0.00	(590,000)	(590,000)
8. Receipts Authority	0.00	0	458,600	0.00	0	458,600
9. Department Personnel Costs Transfer	0.00	220,700	220,700	0.00	220,700	220,700
FY 2008 Total Appropriation	259.44	19,546,100	26,056,900	259.44	18,956,100	25,466,900
Non-Cognizable Funds and Transfers	(1.00)	24,100	191,100	(1.00)	24,100	191,100
FY 2008 Estimated Expenditures	258.44	19,570,200	26,248,000	258.44	18,980,200	25,658,000
Removal of One-Time Expenditures	0.00	(2,239,300)	(2,602,700)	0.00	(1,649,300)	(2,012,700)
FY 2009 Base	258.44	17,330,900	23,645,300	258.44	17,330,900	23,645,300
Benefit Costs	0.00	513,400	618,200	0.00	497,600	597,100
Inflationary Adjustments	0.00	7,400	13,200	0.00	7,400	13,200
Replacement Items	0.00	215,700	353,900	0.00	155,900	251,900
Statewide Cost Allocation	0.00	8,500	13,800	0.00	8,500	13,800
Change in Employee Compensation	0.00	122,800	154,000	0.00	614,000	770,000
FY 2009 Program Maintenance	258.44	18,198,700	24,798,400	258.44	18,614,300	25,291,300
1. Inpatient Psychiatric Facility at ISSH	0.00	784,000	784,000	0.00	0	0
2. SA & MH Data System	0.00	858,700	858,700	0.00	858,700	858,700
5. Move Med. Pre-Auth. Staff to Medicaid	(15.00)	(296,300)	(963,600)	(15.00)	(296,300)	(963,600)
7. Additional Spending Authority	0.00	0	207,700	0.00	0	207,700
FY 2009 Total	243.44	19,545,100	25,685,200	243.44	19,176,700	25,394,100
Change from Original Appropriation	(16.00)	219,700	307,600	(16.00)	(148,700)	16,500
% Change from Original Appropriation		1.1%	1.2%		(0.8%)	0.1%

Community Mental Health Services

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	259.44	19,325,400	1,148,100	4,904,100	25,377,600

2. Transfer to SHS/Medicare Audit

Agency Request 0.00 0 0 0 0

The Governor recommends transferring \$590,000 from Community Mental Health to State Hospital South one-time to partially cover the supplemental related to an audit finding regarding Medicare overpayments.

Governor's Recommendation 0.00 (590,000) 0 0 (590,000)

8. Receipts Authority

This request is to add back spending authority that was removed from the department's FY 2008 appropriation inadvertently. The request will add \$458,600 in personnel funding in dedicated receipts.
[Ongoing]

Agency Request 0.00 0 458,600 0 458,600

The Governor recommends transferring \$590,000 from Community Mental Health to State Hospital South one-time to partially cover the supplemental related to an audit finding regarding Medicare overpayments.

Governor's Recommendation 0.00 0 458,600 0 458,600

9. Department Personnel Costs Transfer

This request is to shift General Fund personnel funding from the following programs:

Physical Health: \$379,200

Labs: \$128,600

Self Reliance Operations: \$420,300

Child Welfare: \$982,700

TOTAL: \$1,910,800

The funding would be received by the following programs in personnel costs:

Childrens Mental Health: \$161,700

Community Mental Health: \$220,700

Community Developmental Disabilities: \$37,300

Indirect Support Services: \$1,145,500

Medicaid Administration & Medical Mgmt: \$276,400

State Hospital North: \$69,200

As of the end of the 1st quarter the department has projected the Child Welfare's transfer out will be reduced to \$907,400 and that Community Mental Health will only need \$145,400.

[Ongoing]

Agency Request 0.00 220,700 0 0 220,700

Governor's Recommendation 0.00 220,700 0 0 220,700

FY 2008 Total Appropriation					
Agency Request	259.44	19,546,100	1,606,700	4,904,100	26,056,900
Governor's Recommendation	259.44	18,956,100	1,606,700	4,904,100	25,466,900

Non-Cognizable Funds and Transfers

Adds \$219,000 in additional federal spending authority of which \$110,000 is in personnel costs; \$97,700 is in operating expenditures; and \$11,300 is for capital outlay. Transfers in \$24,100 in personnel cost funding.

Transfers out 1.0 FTP and \$52,000 of personnel funding.

Agency Request (1.00) 24,100 0 167,000 191,100

Governor's Recommendation (1.00) 24,100 0 167,000 191,100

FY 2008 Estimated Expenditures					
Agency Request	258.44	19,570,200	1,606,700	5,071,100	26,248,000
Governor's Recommendation	258.44	18,980,200	1,606,700	5,071,100	25,658,000

Removal of One-Time Expenditures

Remove funding provided for one-time items.

Agency Request 0.00 (2,239,300) 0 (363,400) (2,602,700)

Governor's Recommendation 0.00 (1,649,300) 0 (363,400) (2,012,700)

Community Mental Health Services

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Base					
Agency Request	258.44	17,330,900	1,606,700	4,707,700	23,645,300
Governor's Recommendation	258.44	17,330,900	1,606,700	4,707,700	23,645,300

Benefit Costs

Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves. Reflects a fund shift of \$45,000 from federal funds to the General Fund.

Agency Request	0.00	513,400	22,400	82,400	618,200
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The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.

Governor's Recommendation	0.00	497,600	21,500	78,000	597,100
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Inflationary Adjustments

This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. The inflationary increase reflected in this request reflects a 1.31% increase in rental contracts & leases only.

Agency Request	0.00	7,400	0	5,800	13,200
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Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.

Governor's Recommendation	0.00	7,400	0	5,800	13,200
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Replacement Items

Replaces 20 vehicles at an average cost of \$16,200 per vehicle. Replaces 13 desks at an average cost of \$1,700 per desk. Replaces 26 chairs at an average cost of \$300 per chair.

Agency Request	0.00	215,700	0	138,200	353,900
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The Governor recommends replacing 10 vehicles. The Governor recommends \$60,000 in additional funding for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles. These additional funds may only be used to implement the Governor's Fossil Fuel/Greenhouse Gases Initiative. Any unspent funds appropriated for this purpose will be reverted at year-end, regardless of funding source. The recommendation also includes replacing 13 modular desks and 26 office chairs.

Governor's Recommendation	0.00	155,900	0	96,000	251,900
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Statewide Cost Allocation

Reflects an increase in risk management fees of \$13,800.

Agency Request	0.00	8,500	0	5,300	13,800
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Governor's Recommendation	0.00	8,500	0	5,300	13,800
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Change in Employee Compensation

Agencies were instructed to input a CEC based on a 1% calculator. Reflects a fund shift of \$9,400 from federal funds to the state General Fund.

Agency Request	0.00	122,800	10,700	20,500	154,000
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The Governor recommends a compensation increase of 5% to be distributed based on merit.

Governor's Recommendation	0.00	614,000	53,500	102,500	770,000
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FY 2009 Program Maintenance					
Agency Request	258.44	18,198,700	1,639,800	4,959,900	24,798,400
Governor's Recommendation	258.44	18,614,300	1,681,700	4,995,300	25,291,300

Community Mental Health Services

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
1. Inpatient Psychiatric Facility at ISSH					
<p>The Adult Mental Health program is requesting \$784,000 to remodel one of the 20 bed units constructed in 2002 at the Idaho State School and Hospital (ISSH) campus. The 20 bed unit remodel would create a psychiatric facility in southwest Idaho to house dangerously mentally ill clients committed to the IDHW. The department proposes using this 20 bed unit until the Department of Correction's Secure Mental Health Hospital is built, at which time IDHW would utilize 40 beds within that facility for this clientele. After the IDOC facility is opened, the department is proposing using this facility and remodeling another 20 bed unit to have 40 mental health psychiatric beds available by the 2011 budget cycle.</p> <p>If funded this year for capital construction, the department estimates an operating request for the new 20-bed unit in the FY 2010 budget request of \$1,390,000. The department also expects to request another \$1,100,000 for constructing an additional quadplex for DD patients, \$784,000 to remodel a second 20 beds to build total capacity to 40 mental health beds, and \$164,000 for demolition of current buildings. Finally, in order to complete the operating costs for the total 40 beds, the department currently estimates \$920,000 for personnel and operating costs in FY 2011. NOTE: The staffing request estimates for FY 2011 is less due to shared costs for concurrent operating expenses between the mental health facility and ISSH.</p> <p>[One-time]</p>					
Agency Request	0.00	784,000	0	0	784,000
<i>The Governor recommended this request in the Permanent Building Fund budget.</i>					
Governor's Recommendation	0.00	0	0	0	0

2. SA & MH Data System

The Adult Mental Health program is requesting \$858,700 to contract for a new Adult Mental Health data system. The request is broken out as \$792,300 in operating funding and \$66,400 in capital outlay funding. The department expects to use the operating budget as follows: \$15,000 for software licenses; \$26,800 for hosting fees; and \$750,500 for contract staff. The capital outlay budget is expected to be spent as follows: \$60,000 for hardware; and \$6,400 for product documentation. The department plans relying on the Division of Information Technology to oversee the project and hire contract staff, leaving all program staff in their current job duties.

NOTE: The department conducted a study on data infrastructure for the Adult Mental Health system using the Data Information Grant (DIG) in FY 2007. The results of that report stated that the following process for updating and replacing the current data system should be completed in order to make the upgrade successful:

1. Establish core reporting data elements.
2. Establish consistent data definitions.
3. Establish local data management specialists.
4. Establish standard data collection processes and templates.
5. Reduce the quantity of central office management reports
6. Establish an integrated reporting tool.
7. Establish an integrated or consolidated data management system.

[One-time]					
Agency Request	0.00	858,700	0	0	858,700
Governor's Recommendation	0.00	858,700	0	0	858,700

Community Mental Health Services

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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5. Move Med. Pre-Auth. Staff to Medicaid

The department is requesting to transfer 15.0 FTP and \$963,600 in funding from the Adult Mental Health budget to the Medicaid Management budget. The request is to move the Psychosocial Rehabilitation Unit to Medicaid to assist the Office of Substance Abuse & Mental Health and the pre-authorization staff with authorization and utilization oversight of mental health services. This request is due to a perceived conflict of interest since the Adult Mental Health program is a service provider, and since Medicaid has seen a dramatic increase in the utilization of mental health services by private providers. When combined with an internal audit that recommended that the authorization for service be in Medicaid, the department decided to request this change in the FY 2009 budget.

The suggested staff that would move to Medicaid are: 1 Clinical Supervisor, 10 Clinicians, 1 Social Worker, 2 Technical Records Specialists, and 2 Office Specialists. The cost for those staff would stay the same and the staff would be split 50/50 with \$481,750 coming from the General Fund and another \$481,750 from federal funds. By moving these staff to Medicaid, the state loses \$185,500 in federal cash causing a necessary increase in General Funds due to the cost allocation process.

The department expects that by moving this staff they will have similar and consistent application of service reviews and service authorizations as well as quality assurance monitoring of providers. The unit will also look at utilization for fraudulent indicators or questionable assessments.

The Medicaid unit expects to start a more intricate review and have further recommendations regarding mental health services. Specifically the Medicaid unit expects to look at:

1. Requirements for assessment plans to be completed by providers who are not also delivering the mental health services.
2. Review the capacity of the current staff and whether or not they can handle authorization of partial care, PSR, clinical services, therapeutic care, and DDA services. (The current unit typically only reviews PSR services.)
3. Utilize Adult Mental Health policy staff to review Medicaid service levels and reimbursement rates and service limits for appropriateness.

ANALYST COMMENT: If approved this request will fund an increase in General Fund monies overall of a \$185,500 within the Department of Health & Welfare.

[Ongoing]

Agency Request	(15.00)	(296,300)	0	(667,300)	(963,600)
Governor's Recommendation	(15.00)	(296,300)	0	(667,300)	(963,600)

7. Additional Spending Authority

The Adult Mental Health program is requesting \$110,000 in personnel costs and \$97,700 in operating expenditures to align the federal appropriation with expected federal cash.

[Ongoing]

Agency Request	0.00	0	0	207,700	207,700
Governor's Recommendation	0.00	0	0	207,700	207,700

FY 2009 Total					
Agency Request	243.44	19,545,100	1,639,800	4,500,300	25,685,200
Governor's Recommendation	243.44	19,176,700	1,681,700	4,535,700	25,394,100

Agency Request

Change from Original App	(16.00)	219,700	491,700	(403,800)	307,600
% Change from Original App	(6.2%)	1.1%	42.8%	(8.2%)	1.2%

Governor's Recommendation

Change from Original App	(16.00)	(148,700)	533,600	(368,400)	16,500
% Change from Original App	(6.2%)	(0.8%)	46.5%	(7.5%)	0.1%